



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

March 12, 1986

Mr. Bart Hanford
Lee Mining Company
57 West South Temple, Suite 440
Salt Lake City, Utah 84101

Dear Mr. Hanford:

Re: North Lily Project, DOE/023/014, PRO/023/007, Juab County, Utah

As you are aware, Lee Mining has filed an application for a Mining and Reclamation Permit with the Division of Oil, Gas and Mining for the North Lily Project. Sufficient data to approve the reclamation permit have been submitted with the exception of posting a surety bond. Based on data submitted in the Reclamation Permit Application, a \$109,185.00 bond (1987 dollars) must be posted to allow issuance of this permit.

The Division allowed start up of the North Lily Project (disturbance of less than two acres) under a Declaration of Exemption. A recently conducted site visit (February 11, 1986) substantiates disturbance greater than two acres. In order to comply with regulations governing mining activities of greater than two acres and maintain continuity with agreements made with the Division of Oil, Gas and Mining regarding operations, I am asking that Lee Mining post the above captioned bond with the Division of Oil, Gas and Mining on or before April 16, 1986. Should clarification of the above be required please contact me or Susan C. Linner of the Division of Oil, Gas and Mining.

Sincerely,

L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

SCL:jvb
cc: K. May
S. Linner
0198R-15